

## **ANALYSIS**

This ordinance extends through December 31, 2005, a franchise to operate a cable television system or systems and to provide cable television service in the South Whittier unincorporated area, granted by Ordinance No. 83-0087F, as amended, to Century-TCI California, L.P., a Delaware limited partnership. This ordinance also provides that Franchisee will provide the County with a public, educational, and governmental ("PEG") access grant in the amount of Seventy-nine Thousand Two Hundred Dollars (\$79,200) by March 1, 2004, which the County will place in a trust fund dedicated for PEG access use.

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10/20/03 (requested)

10/20/03 (revised)

**ORDINANCE NO. \_\_\_\_\_**

An ordinance extending through December 31, 2005, a franchise to provide cable television service in the South Whittier unincorporated area, granted to Century-TCI California, L.P., a Delaware limited partnership. This ordinance also provides that Franchisee will provide the County with a public, educational, and governmental ("PEG") access grant in the amount of Seventy-nine Thousand Two Hundred Dollars (\$79, 200).

The Board of Supervisors of the County of Los Angeles ordains as follows:

**SECTION 1.** Section 1 of Ordinance No. 83-0087F, as amended, is hereby amended to read as follows:

**Section 1.** Pursuant to Section 53066 of the Government Code of the State of California, the right, privilege, and franchise is granted to Century-TCI California, L.P., a subsidiary of Adelphia Communications Corporation a Delaware limited partnership ("Franchisee"), through December 31, 20035, to construct, reconstruct, maintain, and to operate a Cable Television System (hereinafter called "System") in the unincorporated Service Area of the County of Los Angeles, described in Section 2 below, and to construct, reconstruct, maintain, operate, renew, repair, and remove in this Service Area radio and television signal transmission lines and cables and all appurtenances and/or service connections (hereinafter jointly referred to as "Facilities") which are necessary or convenient for the provision of a System. Said grant is subject to the faithful performance and observance by Franchisee of all the terms and conditions herein.

**SECTION 2.** Section 5.F of Ordinance No. 83-0087F, as amended, is hereby amended to read as follows:

F. Within six (6) months after the effective date of the ordinance granting the franchise, Franchisee shall form a California non-profit, access programming corporation for the following purposes:

1. Develop public access policies to be managed and implemented by Franchisee.
2. Encourage use of cable television by individuals, groups and organizations in the franchise service area, without discrimination, as provided in subsection B of this Section.
3. Administer grants to assist individuals and community groups in the franchise area in the greatest possible use of the System.
4. Act as an advisory committee for the purposes of developing, promoting and supervising community programming and related activities.

Said corporation shall have an eleven (11) member Board of Directors composed as follows: one (1) member appointed by the South Whittier School District Board of Trustees, one (1) member appointed by the East Whittier School District Board of Trustees, one (1) member appointed by the Lowell Joint School District Board of Trustees, one (1) member appointed by the Whittier Union High School District Board of Trustees, and two (2) members appointed from the Landowners' Associations. In the event the Landowners' Association is not in existence, then two (2) members shall be appointed by a comparable group or organization, if available. If not so available, the

Los Angeles County Supervisor, First District, shall appoint two (2) additional members. Four (4) members shall be appointed by the Los Angeles County Supervisor, First District, and one (1) member shall be appointed by the Franchisee.

Franchisee shall fund the non-profit corporation in the following amounts:

1. Twenty-five thousand dollars (\$25,000.00) per year for the first five years of the franchise term.
2. Fifty thousand dollars (\$50,000.00) per year for the second five years of the franchise term.
3. Seventy-five thousand dollars (\$75,000.00) per year for the last five years of the franchise term.
4. Seventy-five thousand dollars (\$75,000.00) for the extension period beginning July 1, 1998, and ending on June 30, 1999.
  - a. On or before July 15, 1998, Franchisee shall make the payment of seventy-five thousand dollars (\$75,000.00) required by this Section 5.F for the extension period ending on June 30, 1999, to the South Whittier Community Programming Corporation, a previously established non-profit, access programming corporation, or a successor non-profit, access programming corporation acceptable to the county.
5. Seventy-five thousand dollars (\$75,000.00) for the first twelve (12) months of the eighteen- (18) month extension period beginning July 1, 1999, and ending on December 31, 2000.

a. On or before July 15, 1999, Franchisee shall make the payment of the seventy-five thousand dollars (\$75,000.00) required by this Section 5.F for the first twelve (12) months of the eighteen- (18) month extension ending on December 31, 2000, to the South Whittier Community Programming Corporation, a previously established non-profit, access programming corporation, or a successor non-profit, access programming corporation acceptable to the county.

6. Seventy-five thousand dollars (\$75,000.00) for the last six (6) months of the eighteen- (18) month extension period beginning July 1, 1999, and ending on December 31, 2000.

a. On or before July 15, 2000, Franchisee shall make the payment of seventy-five thousand dollars (\$75,000.00) required by this Section 5.F for the last six (6) months of the eighteen- (18) month extension period ending on December 31, 2000, to the South Whittier Community Programming Corporation, a previously established non-profit, access programming corporation, or a successor non-profit, access programming corporation acceptable to the county. If the franchise is renewed, or an additional extension of the existing franchise is granted beyond December 31, 2000, Franchisee will not be required to provide an additional payment for the next six- (6) month period beginning January 1, 2001, and ending on June 30, 2001.

7. Thirty-seven thousand five hundred dollars (\$37,500.00) for the last six (6) months of the twelve- (12) month extension period beginning January 1, 2001, and ending on December 31, 2002.

a. On or before July 15, 2001, Franchisee shall make the payment of thirty-seven thousand five hundred dollars (\$37,500.00) required by this Section 5.F for the last six (6) months of the twelve- (12) month extension period ending on December 31, 2001, to the South Whittier Community Programming Corporation, a previously established non-profit, access programming corporation, or a successor non-profit, access programming corporation acceptable to the county.

8. For the three month extension period commencing January 1, 2002, Franchisee shall make a payment of eighteen thousand seven hundred and fifty dollars (\$18,750.00) to the South Whittier Community Programming Corporation, a previously established non-profit, access programming corporation, or a successor non-profit, access programming corporation acceptable to the county payable on January 15, 2002.

9. For the nine-month extension period commencing April 1, 2002, Franchisee shall make a payment of fifteen thousand three hundred dollars (\$15,300.00) to the South Whittier Community Programming Corporation, a previously established non-profit, access programming corporation, or a successor non-profit, access programming corporation acceptable to the county payable on April 15, 2002.

10. Subject to the full and complete satisfaction of the conditions set forth below in subsection (c), as determined by the Director, Department of Consumer Affairs in accordance with subsection (d), below, nineteen thousand three hundred seventy-six dollars (\$19,376.00), for the extension period January 1, 2003, through December 31, 2003, to the South Whittier Community Programming Corporation, a

previously established non-profit, access programming corporation, or a successor non-profit, access programming corporation acceptable to the county, payable in two installments.

a. The first installment of nine thousand six hundred eighty-eight dollars (\$9,688.00) to be paid no later than thirty (30) days after the full and complete satisfaction by the South Whittier Community Programming Corporation of the conditions set forth in subsection (c) below.

b. The second installment of nine thousand six hundred eighty-eight dollars (\$9,688.00) to be paid no later than June 15, 2003, or one hundred eighty (180) days after the full and complete satisfaction by the South Whittier Community Programming Corporation of the conditions set forth in subsection (c) below, whichever date is later.

c. The county shall use its best efforts to request and cause the South Whittier Community Programming Corporation to provide each of the following:

(i) A financial audit of the South Whittier Community Programming Corporation to be delivered to the Director, Department of Consumer Affairs. This financial audit will be paid for by the South Whittier Community Programming Corporation and conducted by an independent auditor. The financial audit shall cover the calendar years 1998 through 2002 and shall conform to generally accepted audit standards, and;

(ii) A "Report and Action Plan" to be delivered to the Director, Department of Consumer Affairs, that fully details the activities of the South Whittier Community Programming Corporation and which includes but is not limited to:

(1) A report on the management and use of monies already contributed to the corporation pursuant to this Section 5.F;

(2) A budget and plan for use of the monies to be paid by Franchisee pursuant to this subsection 5.F.10; and

(3) A plan and report that demonstrate that the corporation is pursuing the goals set forth in its Mission Statement "to assist residents and organizations to communicate information, exchange ideas, and provide entertainment through the medium of community television."

d. The conditions in subsection (c), above, will be deemed satisfied upon the reasonable determination by the Director, Department of Consumer Affairs, that:

(i) The financial audit and "Report and Action Plan" referenced in subsection (c), above, have been provided to the Director by the South Whittier Community Programming Corporation; and (ii) The financial audit and "Report and Action Plan" adequately contain the information specified in subsection (c).

Upon the determination by the Director that the conditions specified in subsection (c), above, have been met, he shall send to Franchisee a "Notice to Pay" letter that shall obligate Franchisee to make the payments as specified in this subsection 5.F.10.

e. Should the South Whittier Community Programming Corporation fail to meet the conditions specified in subsection (c), above, as determined by the Director in accordance with subsection (d), above, during the extension period January 1, 2003, through December 31, 2003, Franchisee will have no obligation to make the payments specified in this subsection 5.F.10.

11. Notwithstanding the foregoing, for the extension period commencing on January 1, 2004, and concluding on December 31, 2005, Franchisee agrees to provide a public, educational, and governmental ("PEG") access grant, payable to the County Auditor-Controller in the amount of Seventy-nine Thousand Two Hundred Dollars (\$79,200). Such payment shall be made no later than March 1, 2004. The County will place this PEG grant payment in a trust fund dedicated for PEG access uses.

a. In the event that Franchisee itemizes the PEG grant costs specified in this subsection 5.F.11, or any portion thereof, on subscriber bills, Franchisee agrees to do so only in regular monthly amounts not to exceed fifty cents (\$0.50) per subscriber.

b. In the event that Franchisee itemizes the PEG grant costs specified in this subsection 5.F.11, or any portion thereof, on subscriber bills, Franchisee agrees to designate such costs as "PEG Fee."

[SouthWhittierKDF123105]